

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA

UNITED STATES OF AMERICA,

Plaintiff,

vs.

GEORGE L. LIAKOS,

Defendant.

FILED
U.S. DISTRICT COURT
DISTRICT OF NEBRASKA

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4:21CR 3129

INDICTMENT
18 U.S.C. § 1344
15 U.S.C. § 714m(a)

The Grand Jury charges that

INTRODUCTION

At all times material to this Indictment:

1. Great Western Bank is a banking corporation whose principal place of business is in Sioux Falls, South Dakota. Great Western Bank maintains bank locations in Iowa, Colorado, South Dakota, and Nebraska, including a banking office in Scottsbluff, Nebraska. Great Western Bank is a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation.
2. At all times material to this Indictment, Defendant, GEORGE L. LIAKOS, conducted a farming operation in Bayard, Nebraska, primarily growing beans, corn and sugar beets as well as raising cattle for sale.
3. On or about June 2, 2017, Defendant, GEORGE L. LIAKOS, and Anne Liakos, executed Loans and a Security Agreement with Great Western Bank. The loans and security agreement consisted of a revolving line of credit for \$8,500,000, machinery and equipment loan for \$1,858,000 and a livestock loan for \$850,000.00. As part of this agreement, Defendant, GEORGE L. LIAKOS, and Anne Liakos granted Great Western Bank a security interest in assets and farm products as collateral for the loan.

4. On November 26, 2018, Defendant, GEORGE L. LIAKOS, and Anne Liakos signed a forbearance agreement with Great Western Bank. This forbearance agreement involved the amounts due and payable from the June 2017 loans (with interest) and an additional revolving line of credit of \$336,000.00.

SCHEME TO DEFRAUD

(Bank Fraud)

5. Beginning on or about April 20, 2017 and continuing through on or about May 7, 2019, in the District of Nebraska, GEORGE L. LIAKOS, the defendant herein, knowingly executed, attempted to execute, and caused to be executed a scheme and artifice to defraud and to obtain monies, funds, assets, securities, and other property owned by and under the custody and control of Great Western Bank, a financial institution whose accounts were and are insured by the Federal Deposit Insurance Corporation, by means of materially false and fraudulent pretenses, representations and promises.

6. It was part of the scheme and artifice that on or about April 20, 2017, in order to obtain loans with Great Western Bank, Defendant, GEORGE L. LIAKOS, submitted a Borrowing Base Certificate from a 3rd party financial institution representing to Great Western Bank that the information contained on the Borrowing Base Certificate accurately reflected his current commodity and livestock inventory, accounts receivable, loans, and accounts payable. The Borrowing Base Certificate was relied upon by Great Western Bank in the decision to originate the loan with Defendant, GEORGE L. LIAKOS and Anne Liakos. In truth and fact, as then and there known by Defendant, GEORGE L. LIAKOS, the Borrowing Base Certificate submitted to Great Western Bank materially overstated his commodity inventory and materially understated and failed to report loans and accounts payable.

7. It was part of the scheme and artifice, as required by the Loans and Security Agreement between Great Western Bank and Defendant, GEORGE L. LIAKOS, Liakos would submit and caused to be submitted monthly borrowing base certificates representing current commodity and livestock inventory, accounts receivable, loans, and accounts payable to comply with Great Western Bank's reporting requirement. Great Western Bank relied upon these Borrowing Base Certificates in determining the continued viability of the loan and potential actions to be taken to enforce the Loan Agreement. Defendant, GEORGE L. LIAKOS, would provide materially false information to his Accountant which was then used by the Accountant in the preparation and submission of the Borrowing Base Certificates to Great Western Bank. In truth and fact, as then and there known by Defendant, GEORGE L. LIAKOS, the monthly Borrowing Base Certificates submitted and caused to be submitted by Defendant, GEORGE L. LIAKOS, to Great Western Bank materially overstated his current commodity and livestock inventory and materially understated and failed to report loans and accounts payable.
8. It was further part of the scheme and artifice that representatives of Great Western Bank would contact Defendant, GEORGE L. LIAKOS, either personally or by phone, to obtain information on current commodity and livestock inventory from Liakos. In truth and fact, as then and there known by Defendant, GEORGE L. LIAKOS, would materially overstate his current commodity and livestock inventory to representatives of Great Western Bank in an effort to hide his current financial condition to Great Western Bank.
9. It was further part of the scheme and artifice that Defendant, GEORGE L. LIAKOS, would submit and cause to be submitted to Great Western Bank Financial Statements which he represented to reflect his current financial condition, including current and unharvested commodities and livestock inventory, accounts receivable, loans, and accounts payable to

comply with Great Western Bank's reporting requirement. In truth and fact, as then and there known by Defendant, GEORGE L. LIAKOS, Liakos would materially overstate his current and unharvested commodity and livestock inventory and materially understated and failed to report loans and accounts payable to representatives of Great Western Bank in the Financial Statements in an effort to hide his current financial condition to Great Western Bank.

10. It was further a part of the scheme and artifice that Defendant, GEORGE L. LIAKOS, would use the proceeds of commodity sales pledged to Great Western Bank to pay third party lenders and accounts payable without the knowledge or consent of Great Western Bank in an effort to conceal the identity and nature of the third-party loans to Great Western Bank.

11. As a result of the scheme to defraud alleged herein, Great Western Bank, suffered an approximate loss of \$ 7,608,793.55.

Count I – Bank Fraud

12. Paragraphs 1 through 11 of the Indictment are incorporated by reference as if fully set forth herein.

13. On or about June 2, 2017, in the District of Nebraska, GEORGE L. LIAKOS, the defendant herein, having devised a scheme and artifice to defraud and to obtain money and other property by means of materially false and fraudulent pretenses, representations and promises, as set forth above, and for the purpose of executing the scheme and artifice to defraud and to obtain money, knowingly executed Loans and Security Agreement between Great Western Bank and GEORGE L. LIAKOS and Anne Liakos, consisting of a revolving line of credit for \$8,500,000, machinery and equipment loan for \$1,858,000 and a livestock loan for \$850,000.00, for a total of \$11,208,000. In approving said Loans and Security

Agreement, Great Western Bank relied upon information provided by Defendant, GEORGE L. LIAKOS, reflecting current commodity and livestock inventory, accounts receivable, loans, and accounts payable which in truth and fact, as then and there known by Defendant, GEORGE L. LIAKOS, materially overstated his commodity inventory and materially understated and failed to report loans and accounts payable.

In violation of Title 18, United States Code, Section 1344 and 2.

Count II – Bank Fraud

14. Paragraphs 1 through 11 of the Indictment are incorporated by reference as if fully set forth herein.

15. On or about August 30, 2018, in the District of Nebraska, GEORGE L. LIAKOS, the defendant herein, having devised a scheme and artifice to defraud and to obtain money and other property by means of materially false and fraudulent pretenses, representations and promises, as set forth above, and for the purpose of executing the scheme and artifice to defraud and to obtain money, knowingly signed and executed monthly Borrowing Base Certificates for the time period from August 31, 2017, through June 30, 2018, and an Inspection Report dated August 30, 2018, previously provided to representatives of Great Western Bank, reflecting current commodity and livestock inventory, accounts receivable, loans, and accounts payable for the respective time periods, which in truth and fact, as then and there known by Defendant, GEORGE L. LIAKOS, said Borrowing Base Certificates and the Inspection Report materially overstated his commodity and livestock inventory and materially understated and failed to report loans and accounts payable.

In violation of Title 18, United States Code, Section 1344 and 2.

Count III – Bank Fraud

16. Paragraphs 1 through 11 of the Indictment are incorporated by reference as if fully set forth herein.
17. On or about November 20, 2018, in the District of Nebraska, GEORGE L. LIAKOS, the defendant herein, having devised a scheme and artifice to defraud and to obtain money and other property by means of materially false and fraudulent pretenses, representations and promises, as set forth above, and for the purpose of executing the scheme and artifice to defraud and to obtain money, knowingly provided representatives of Great Western Bank materially false information reflecting current and unharvested commodities and livestock inventory, accounts receivable, loans, and accounts payable for the purpose of preparing a Financial Statement to be used by Great Western Bank in determining the continued viability of the loan and potential actions to be taken by Great Western Bank to enforce the Loan Agreement, which in truth and fact, as then and there known by Defendant, GEORGE L. LIAKOS, materially overstated his current and unharvested commodities and livestock inventory and materially understated and failed to report loans and accounts payable.

In violation of Title 18, United States Code, Section 1344 and 2.

Count IV – Bank Fraud

18. Paragraphs 1 through 11 of the Indictment are incorporated by reference as if fully set forth herein.
19. On or about November 26, 2018, in the District of Nebraska, GEORGE L. LIAKOS, the defendant herein, having devised a scheme and artifice to defraud and to obtain money and other property by means of materially false and fraudulent pretenses, representations and promises, as set forth above, and for the purpose of executing the scheme and artifice to defraud and to obtain money, knowingly signed and executed Balance Sheet/Financial

Statement for George L. Liakos and Anne Liakos, the time period as of November 20, 2018, submitted to Great Western Bank, reflecting current and unharvested commodities and livestock inventory, accounts receivable, loans, and accounts payable for the respective time period, which in truth and fact, as then and there known by Defendant, GEORGE L. LIAKOS, said Balance Sheet/Financial Statement materially overstated his current and unharvested commodities and livestock inventory and materially understated and failed to report loans and accounts payable.

In violation of Title 18, United States Code, Section 1344 and 2.

COUNT V- FALSE STATEMENTS

20. On or about February 9, 2018, in the District of Nebraska, the defendant, GEORGE L. LIAKOS, did willfully make and cause to be made a materially false statement, knowing it to be false, for the purpose of influencing the action of the Commodity Credit Corporation (CCC), an agency and instrumentality of the United States, within the USDA, for the purpose of obtaining for himself money and property and anything of value under Title 15, United States Code, Sections 714 - 714p, in that in connection with a commodity loan applied for by Defendant, GEORGE L. LIAKOS, under the Farm Stored Loan Program, Defendant, GEORGE L. LIAKOS, represented to a Program Technician of the Farm Service Agency, United States Department of Agriculture, that he did not have a banking relationship with Great Western Bank, or know the loan officer stated by the Program Technician, when in truth and fact, as Defendant, GEORGE L. LIAKOS, then and there well knew, he did have a loan agreement with Great Western Bank in the loan amount of approximately \$11,000,000

dollars, and was personally dealing with the loan officer stated by the Program Technician. The false statements made by Defendant, GEORGE L. LIAKOS, were material to influencing the application and origination of the loans with the Commodity Credit Corporation (CCC), in that the materially false statement concealed the identity of Great Western Bank as a creditor of Liakos and materially affected the decision of the Commodity Credit Corporation (CCC) in approving the loan with Liakos.

In violation of Title 15, United States Code, Section 714m(a).

A TRUE BILL.

FOR PERSON

The United States of America requests that trial of this case be held in Lincoln, Nebraska, pursuant to the rules of this Court.



STEVEN A. RUSSELL #16925
Assistant United States Attorney